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MULTIMEDIA UNIVERSITY

FINAL EXAMINATION

TRIMESTER 3, 2016/2017

BAC2654 – PUBLIC SECTOR ACCOUNTING
(All sections / Groups)

29 MAY 2017
9.00 a.m - 12.00 p.m
(3 Hours)

INSTRUCTIONS TO STUDENTS

1. This Question paper consists of 2 pages with 4 Questions only.
2. Attempt **ALL** questions. All questions carry equal marks and the distribution of the marks for each question is given.
3. Please print all your answers in the Answer Booklet provided.

QUESTION 1

a) Explain the concept of federalism. (3 marks)

b) Briefly, discuss the relationship between federal and state government from the perspective of:

- legislative powers, in accordance with Article 73 and 74 of the Federal Constitution.
- executive powers, in accordance with Article 80 and 81 of the Federal Constitution.

(10 marks)

c) Government accounting machinery relates to the governance structure for financial management of the Malaysian public sector. One of the key components of government accounting machinery is the government accounting personnel. Briefly, explain three duties of the government accounting personnel. (12 marks)

(Total: 25 marks)

QUESTION 2

a) Modified budgeting system is a major initiative by the Treasury for financial reform in the government budgeting system. However, it has several drawbacks that resulted in the implementation of Outcome Based Budgeting. Discuss **THREE (3)** drawbacks of modified budgeting system. (13 marks)

b) Briefly, discuss how Outcome-Based Budgeting could benefit the budgeting system in the Malaysian public sector? (12 marks)

(Total: 25 marks)

QUESTION 3

a) Briefly, explain the rationales of having a chart of accounts in the general ledger of public sector organization. (6 marks)

b) Illustrate the Statement of Financial Position of the Federal Government (assuming the year ended is 31 December 2016). (7 marks)

c) Member of the legislative body, tax payers, and the public are the primary users of financial information. For each primary user, provide **TWO (2)** reasons for using financial information. (12 marks)

(Total: 25 marks)

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QUESTION 4**MINISTRY OF HIGHER EDUCATION
Department Of Community College Education
Procurement Of Teaching And Learning Equipment**

The community college was established on 5th July 2000, through Cabinet Memorandum. Community colleges are the institutions that provide training and skills at all levels as well as educational opportunities for school leavers before they enter the workforce or further pursue study into tertiary education. Currently, the Department of Community College Education (DCCE) has a total of 94 community colleges across the country with an increase of 10 new community colleges each year until 2020. Community colleges offer a variety of full time skills programmes including 26 courses and programmes at certificate level and 7 programmes at diploma level. To ensure community colleges carry out its functions and role effectively, DCCE had procured appropriate teaching and learning equipment [Pengajaran dan Pembelajaran (PdP)]. The objectives of PdP equipment procurement, among other are to improve the competence and skills of human capital; achieve targeted competent and skilled workers by 2020; to promote and expand access to quality technical and vocational training; and to meet the requirements of the current curriculum at community 52 colleges. For the period of 2012 to 2015, a total of RM61.71 million was spent by DCCE under the development expenditure allocation.

Audit performed from October 2015 to April 2016 revealed that the PdP equipment procurement for community colleges generally is good and achieve the objectives set. DCCE has carried out value management procedures in the procurement of PdP in line with the Government's intention to gain value for money and cost optimisation; good expenditure performance; equipment supply were of high quality and achieved user satisfaction and were fully utilised during teaching and learning. However, there were few weaknesses that should be given due attention as follows:

- the planning of PdP equipment procurement do not take into account the compliance toward financial regulations to avoid split procurement; and
- there were significant differences in equipment price between RM1,000 (17.2%) to RM7,200 (900%) for the same type and specification.

Source: Auditor General's Report 2015, page 51 & 52

Required:

- a) Explain the concept of accountability from the perspective of Malaysian public sector. (4 marks)
- b) Briefly, discuss the weaknesses of PdP equipment procurement from the context of:
 - i) financial accountability;
 - ii) management accountability; and
 - iii) programme accountability.(21 marks)

(Total: 25 marks)

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